

Introduced by Senator SotoFebruary 21, 2003

An act to add Section 366.3 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 697, as introduced, Soto. Public utilities: community choice aggregation.

Existing law, relating to transactions between an electric service provider, as defined, and end use customers, authorizes customers to aggregate their electrical loads as members of their local community with community choice aggregators, as defined, and authorizes a community choice aggregator to aggregate the electrical load of interested electricity consumers within its boundaries. Existing law requires a community choice aggregator to file an implementation plan with the Public Utilities Commission in order for the commission to determine a cost-recovery mechanism to be imposed on the community choice aggregator to prevent a shifting of costs to an electrical corporation's bundled customers.

This bill would require the commission, upon the filing of a petition or other appropriate procedure determined by the commission, and upon the meeting of certain conditions, to establish separate distribution service rates and charges by an electrical corporation, for electricity, from an eligible renewable electricity generation source, as defined, that is supplied to end use customers by an electric service provider pursuant to an implementation plan with a community choice aggregator, where the electricity is transported within a single local distribution system, as defined. The separate distribution charge would, to the extent permitted by federal law, avoid charges for transmission



services and would specify how any applicable transmission charges would be allocated. The separate distribution charge would pass on any distribution system cost savings resulting from the development of distributed energy resources to the end use customer of the community choice aggregator. The bill would further limit the imposition of fees and charges by the California Independent System Operator. Because the violation of an order or decision of the commission is a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 366.3 is added to the Public Utilities
- 2 Code, to read:
- 3 366.3. (a) For purposes of this section:
- 4 (1) "Community choice aggregator" has the same meaning as
- 5 specified in Section 331.1.
- 6 (2) "Distribution wheeling" is the transportation of electricity
- 7 from an electric service provider to end use customers of a
- 8 community choice aggregator, within a single local distribution
- 9 system.
- 10 (3) "Electric service provider" has the same meaning as
- 11 specified in Section 218.3.
- 12 (4) "Eligible renewable electricity generation source" means
- 13 an electrical generating facility that is either an "eligible
- 14 renewable energy resource" as specified in Section 399.12 or that
- 15 meets the definition of "in-state renewable electricity generation
- 16 technology" as specified in Section 383.5.
- 17 (5) "Local distribution system" means an electrical
- 18 distribution system operated by an electrical corporation that may
- 19 be served from a single interstate transmission facility. "Local
- 20 distribution system" includes an electrical distribution system that
- 21 is served from two or more interstate transmission facilities for the



1 convenience of the electrical corporation, that could be served
2 from a single interstate transmission facility. ‘Local distribution
3 system’ includes primary and secondary distribution lines, which
4 deliver electricity, and substations and distribution transformers,
5 which lower electric voltage from high voltage transmission levels
6 (generally between 50,000 and 500,000 volts) to primary and
7 secondary distribution and utilization levels.

8 (b) Upon petition or other appropriate procedure established by
9 the commission, the commission shall establish separate
10 distribution service rates and charges by an electrical corporation,
11 for distribution wheeling between an electric service provider
12 supplying electricity from an eligible renewable electricity
13 generation source to end users of a community choice aggregator
14 that are within the same local distribution system, that do all of the
15 following:

16 (1) To the extent permissible under federal law, avoids charges
17 for transmission services. To the extent transmission service
18 charges are applicable, those charges shall be allocated as
19 noncustomer specific costs within the electrical corporation’s
20 otherwise applicable cost-allocation methodology. To the extent
21 transmission charges are applicable, they shall be recovered from
22 all customers within that same customer class or proportionately
23 from subclasses of the customer class.

24 (2) Pass any distribution system cost savings resulting from the
25 development of distributed energy resources to the end use
26 customers of the community choice aggregator.

27 (c) The commission shall require, as a condition to establishing
28 the separate distribution service rates and charges, that:

29 (1) End use customers have interval metering.

30 (2) Electric service providers providing electricity from an
31 eligible renewable electricity generation source, employ suitable
32 safety monitoring or instrumentation, in accordance with industry
33 standards, as determined by the commission.

34 (d) The California Independent System Operator shall impose
35 no fee or charge upon electricity delivered by an electric service
36 provider from an eligible renewable electricity generation source,
37 to end use customers of a community choice aggregator, that is
38 delivered through distribution wheeling. The California
39 Independent System Operator shall not impute the impact of any
40 net load or net generation, including net ancillary services, of any



1 activity not directly interconnected to transmission, on
2 transmission system costs without also allocating the benefit of all
3 probable load and generation diversity, methodological
4 inaccuracies or measurement errors to such loads and generation
5 not directly interconnected or to the distribution system to which
6 they are directly interconnected. The California Independent
7 System Operator shall not calculate charges for any transmission
8 service component of electricity delivered by an electric service
9 provider from an eligible renewable electricity generation source,
10 to end use customers of a community choice aggregator, that is
11 delivered through distribution wheeling, from any gross load or
12 gross generation activity not directly interconnected to the
13 transmission system. The California Independent System
14 Operator shall not attribute cost causation on a transmission
15 system to any electrical load delivered by distribution wheeling.

16 SEC. 2. No reimbursement is required by this act pursuant to
17 Section 6 of Article XIII B of the California Constitution because
18 the only costs that may be incurred by a local agency or school
19 district will be incurred because this act creates a new crime or
20 infraction, eliminates a crime or infraction, or changes the penalty
21 for a crime or infraction, within the meaning of Section 17556 of
22 the Government Code, or changes the definition of a crime within
23 the meaning of Section 6 of Article XIII B of the California
24 Constitution.

